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11/20/2006 09:37:52 AM

Fee: \$26.00

After recording, return to:
William M. Ganong
Attorney at Law
514 Walnut Avenue
Klamath Falls OR 97601

NOTICE OF DEFAULT AND ELECTION TO SELL

Pursuant to ORS 86.705-795, the undersigned Trustee and the Beneficiary have elected to foreclose the following described Trust Deed in the manner provided by said statute.

1. A. Grantor: Stan Thomson
B. Trustee: William M. Ganong
C. Beneficiary: Kimball Vail

2. The legal description of the property covered by the subject Trust Deed is:

All that portion of Lots 1 and 2, Block 42, FIRST ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, as follows:

Beginning at the Northwesterly corner of Lot 1, Block 42 of said Addition at the intersection of the Westerly line of Fifth Street with the Southerly line of Lincoln Street; thence Southwesterly along the Southerly line of Lincoln Street 90 feet; thence Southeasterly and parallel with Fifth Street 55 feet; thence Northeasterly and parallel with Lincoln Street 90 feet to the Westerly line of Fifth Street; thence Northwesterly along the Westerly line of Fifth Street 55 feet to the place of beginning.

Klamath County Assessor's Account No.
3809-032BA-05000-000 and Property ID No. 411334

The book, page number, and the date the subject Trust Deed was recorded in the Mortgage Records of Klamath County, Oregon are:

Book: M06 Page: 03962 Date Recorded: March 3, 2006

3. The default for which the foreclosure is made is the Grantors' failure to pay \$95,000 that was due and payable on June 1, 2006, and Grantor's failure to pay interest thereon at the note rate of 12% per annum from March 3, 2006, until paid.

4. The principal and interest owing on the obligation secured by

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the subject Trust Deed as of November 15, 2006 is \$103,026.85. Interest continues to accrue at the note rate of 12% per annum from November 16, 2006 until paid.

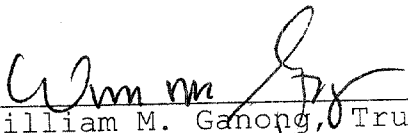
5. The Beneficiary and the Trustee have elected to foreclose the above referenced Trust Deed pursuant to the provisions of Oregon Revised Statutes 86.705 to 86.795.

6. The Trustee will conduct a sale of the above described property at 10:00 a.m. on the 4th day of April, 2007 at the front entrance to the office of William M. Ganong at 514 Walnut Avenue, Klamath Falls, Oregon.

7. Pursuant to ORS 86.753, the Grantor, the Grantor's successor in interest to all or any part of the above described property, any beneficiary under a subordinate Trust Deed, or any person having a subordinate lien or encumbrance of record on the property, may cure the default or defaults at any time prior to five days before the above said date of sale by paying the entire amount due at the time of cure under the terms of the obligation, other than such portion as would not then be due had no default occurred. In addition, the person affecting the cure shall pay all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with the Trustee's and attorney's fees specified in the said statute.

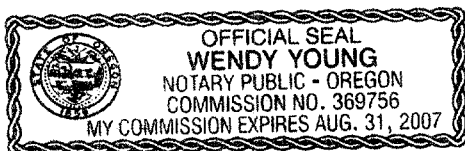
In construing this instrument, the masculine gender includes the feminine and the neuter, the singular includes the plural, the word "grantor" includes any successor in interest to the grantor as well as any other persons owing an obligation, the performance of which is secured by said Trust Deed, the words "trustee" and "beneficiary" include their respective successors in interest, if any.

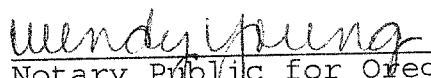
Dated this 16 day of November, 2006.


William M. Ganong, Trustee

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on November 16, 2006 by William M. Ganong as Trustee.




Notary Public for Oregon
My commission expires: 8.31.2007

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